RECEIVED
C.F.T.C.

2005 NOV 28 PM 12: 18

OFC. OF THE SECRETARIAT

cme

Chicago Mercantile Exchange

20 South Wacker Drive
Chicago, IL 60606-7499
www.cme.com

312/930.1000 *tel*
312/466.4410 *fax*

November 28, 2005

Ms. Jean A. Webb
Office of the Secretariat
Commodity Futures Trading Commission
Three Lafayette Centre
1155 21st Street, NW
Washington, DC 20581

RE: Section 5c(c)(1), Part 40.6 – Amendments to the strike listing rules for the S&P 500 options contract. CME Submission# 05-123.

Dear Ms. Webb:

Chicago Mercantile Exchange Inc. ("CME" or "Exchange") hereby notifies the Commission of an amendment to the strike listing rules for the S&P 500 options contract.

The Exchange certifies that this amendment complies with the Act and rules thereunder.

An enormous amount of flex options traffic in the S&P 500 options contract has prompted requests to expand the strike listing range. The majority of these flex options are standard contracts with the exception of the strike which is out of the current strike listing range. Staff, per delegate authority, will expand the listing range from what is currently offered in order to incorporate the majority of these flex options into the standard offered range. The table below enumerates the changes to become effective on November 23, 2005. Rules amendments follow with additions underlined and deletions bracketed and struck out.

Current	**As Amended**
30% range at 25 point intervals	50% range at 25 point intervals
15% range at 10 point intervals	20% range at 10 point intervals
7.5% range at 5 point intervals	10% range at 5 point intervals

If you require any additional information regarding this action, please do not hesitate to contact Ms. Ariel Hantin, Senior Research Analyst at 312-559-4951 or via e-mail at ahantin@cme.com. Please reference our CME Submission #05-123 on all future correspondence regarding this notification.

Sincerely,

John W. Labuszewski, Director
Research & Product Development

cc: Mr. Thomas M. Leahy and Mr. Steven B. Benton
CFTC Division of Market Oversight, Product Review & Analysis Section

Text of Rule Amendments

(Additions are underlined, deletions are bracketed and overstruck.)

CHAPTER 351A: Options on Standard and Poor's 500 Stock Price Index™ Futures

351A01.E. Exercise Prices

1. Options in the March Quarterly Cycle

The exercise prices shall be stated in terms of the Standard and Poor's 500 Stock Price Index futures contract which is deliverable upon exercise of the option. The exercise prices shall be an integer divisible by 25 without remainder, e.g., 1025, 1050, 1075, etc.

A referencing index shall be determined each quarter on the expiration day of the March Quarterly futures. The referencing index shall equal the previous day's settlement price of the lead month Standard and Poor's 500 Stock Price Index futures contract. The chosen referencing index will then be used to calculate the index points for the 50%, 20%, and 10% [~~30%, 15%, and 7.5%~~] ranges for various contract month options as specified below. The index points are rounded down to the nearest integer.

At the commencement of trading for the fourth-nearest contract month in the March quarterly cycle, the Exchange shall list all eligible exercise prices in a range of 50 [~~30~~] percent of the referencing index above and below the previous day's settlement price of the underlying futures contract. Exercise prices that are integers divisible by 10 without remainder shall be added, if they have not already been listed, within a range of 20 [~~15~~] percent of the referencing index above and below the previous day's settlement price of the underlying futures contract.

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall add all eligible exercise prices in the corresponding range on the next trading day.

When a contract month becomes the second-nearest contract month in the March quarterly cycle, the Exchange shall add exercise prices at an interval that is an integer divisible by 5 without remainder in a range of 10 [~~7.5~~] percent of the referencing index above and below the previous day's settlement price of the underlying futures contract. If the previous day's settlement price equals an eligible exercise price, then that exercise price shall be listed also, if not previously listed.

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall add on the next trading day, all eligible exercise prices in the corresponding range. New options may be listed for trading up to and including the termination of trading.

2. Options Not in the March Quarterly Cycle

Exercise prices for options not in the March quarterly cycle shall be independent of the exercise prices that are listed for the nearest March quarterly options.

At the commencement of trading for options not in the March quarterly cycle, exercise prices shall be listed in a range of 50 [~~30~~] percent of the referencing index above and below the previous day's settlement price of the underlying futures contract. Exercise prices shall be integers divisible by 25 without remainder. Within a range of 20 [~~15~~] percent of the referencing index above and below the previous day's settlement price for the underlying futures contract, 10-point exercise prices shall be listed, if they have not been already listed. Additional 5-point exercise prices shall also be listed in a range of 10 [~~7.5~~] percent of the referencing index above and below the previous day's settlement price for the underlying futures contract.

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall add all eligible exercise prices in the corresponding range on the next trading day.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.

Clean Copy of Rule Amendments

CHAPTER 351A: Options on Standard and Poor's 500 Stock Price Index™ Futures

351A01.E. Exercise Prices

1. Options in the March Quarterly Cycle

The exercise prices shall be stated in terms of the Standard and Poor's 500 Stock Price Index futures contract which is deliverable upon exercise of the option. The exercise prices shall be an integer divisible by 25 without remainder, e.g., 1025, 1050, 1075, etc.

A referencing index shall be determined each quarter on the expiration day of the March Quarterly futures. The referencing index shall equal the previous day's settlement price of the lead month Standard and Poor's 500 Stock Price Index futures contract. The chosen referencing index will then be used to calculate the index points for the 50%, 20%, and 10% ranges for various contract month options as specified below. The index points are rounded down to the nearest integer.

At the commencement of trading for the fourth-nearest contract month in the March quarterly cycle, the Exchange shall list all eligible exercise prices in a range of 50 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract. Exercise prices that are integers divisible by 10 without remainder shall be added, if they have not already been listed, within a range of 20 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract.

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall add all eligible exercise prices in the corresponding range on the next trading day.

When a contract month becomes the second-nearest contract month in the March quarterly cycle, the Exchange shall add exercise prices at an interval that is an integer divisible by 5 without remainder in a range of 10 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract. If the previous day's settlement price equals an eligible exercise price, then that exercise price shall be listed also, if not previously listed.

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall add on the next trading day, all eligible exercise prices in the corresponding range. New options may be listed for trading up to and including the termination of trading.

2. Options Not in the March Quarterly Cycle

Exercise prices for options not in the March quarterly cycle shall be independent of the exercise prices that are listed for the nearest March quarterly options.

At the commencement of trading for options not in the March quarterly cycle, exercise prices shall be listed in a range of 50 percent of the referencing index above and below the previous day's settlement price of the underlying futures contract. Exercise prices shall be integers divisible by 25 without remainder. Within a range of 20 percent of the referencing index above and below the previous day's settlement price for the underlying futures contract, 10-point exercise prices shall be listed, if they have not been already listed. Additional 5-point exercise prices shall also be listed in a range of 10 percent of the referencing index above and below the previous day's settlement price for the underlying futures contract.

Thereafter, when a settlement price in the underlying futures contract occurs at, or passes through, any exercise price, the Exchange shall add all eligible exercise prices in the corresponding range on the next trading day.

The Board may modify the provisions governing the establishment of exercise prices as it deems appropriate.